App. F. IX-4

1929. (Mugrai)

File No. 19-29

Serial Nos. 1 - 2.

Previous References

Mug 3 743-0-8-1-2
" 517 08-1 8
G.T. 88-22 1
" 21-17 1
" 36-18 1/4

Later References

" 142-26-1-2
" 10-25 1&2, 3&4
" 255-26 1, 2&6
" 150-29 1-2
Mug 89 30 8G 1-4
" 20-31-1&2
" 200-31-1-b
Mug 76-32(1-8)
Mug 165-36-1&2

Serial Nos. 2

General and Revenue Secretariat.

Part B for October 1929

SUBJECT

Payment of enhanced interest at 5% on all endowments ~~at 5~~ contemplated at Para. 2 of G.O. dated 8.1.1920.

G.O. No. 72. 2534-5 dated 16.10.29

To the Mug. Com^r Coimbatore.

Enhanced rate of interest be allowed in respect of two cases mentioned in M.C's letter No 872 dated 8.7.29.

General and Revenue Secretariat

Mysore File No. 19 of 192 9

Serial No.

1 Letter no 872/27-8 dated the 6th/8th May 1929 from the Mysore Residency requesting sanction of Govt for paying enhanced interest at 5 per cent on all endowments contemplated at para 2 of Govt No FC 4002-51/G.F 36-18-16 dated the 8th January 1920 from 30th July 1922 upto the date to which it is sanctioned in Govt No FC 8571-630/G.F. 150-28 dated the 21st May 1929.

I submit for orders with reference. The file is one which has to be dealt with in the Financial Branch, reference to it may be hereafter required, if any.

C.S.

16/7/29 HW 17/7 2 Yrs) DD 17/7

3 Yrs

4 Yrs) DD 17-7-29 DD 17/7

The sole point for orders is Whether the Endowments offered and accepted under the G.O No R 473-503 GR 15-09-2 G 15.7.09 should be brought under the Category of those enjoying the more liberal rate of interest of 5% sanctioned in the later orders

Note—Contn. Sheet

WD 01684—GPB—30,000—20-1-29

General and Revenue Secretariat

Madras File No. 19 of 1929

Serial No. 6

Reference was in the first instance invited to para 3 (i) of the said G.O., fixing the rate of interest as ½ p.c. in excess of the rate allowed by Govt. of India on their securities

Later, in G.O. Re 470-80/G.S. 21-17-1 of 30.7.1917 it was ordered that there would be no objection to give 5½ p.c. rate temporarily for 5 years in some special cases. The spirit of this G.O. is clarified in the Hd. Asst's note in the file that each deposit will have to secure independent sanction. Subsequently a good much discussion has centred round the interpretation of para 4 of the G.O. of 30.7.17, resulting in the G.O. No. Re 4002-51/G.S. 36-18-4 of 8.1.2. This G.O. has in its opening para referred to all Endowments to be offered since 30.7.17 and lest those offered & accepted under the G.O. of 15.7.09 should by any accident miss to come under the purview of these, it has in the second para specifically referred to this group of endowments also. It is directed there that these deposits also will enjoy the enhanced rate of 5½ p.c. upto 29.7.22 the date on which the currency of sanction of the order of 30.7.17 expired. At best, the limit mentioned as 29.7.22 was apparently because a further extension of the period during which the higher rate would obtain, could not have

Note—Contn Sheet

WD 01684—GPB—30,000—29-1-29

Serial No.

have been foreseen. But since then, the higher rate of 5·/ has been sanctioned for further periods from time to time. Vide G.O. No. C. 1-64/G.P. 22-224 of 29-9-22. But the preamble to this G.O. speaks of "Certain Cases of Charitable endowments." What these certain classes are will be made clear by orby.

G.O. No. R. 559-622/R.P. 10-25-2 of 29.7.25 Confirmed the rate on the basis of the G.O. of 1922. This naturally led to a doubt & the Council made a reference (G.P. 10-25 3 & 4 asking if the higher rate could be held to apply to Cases where a specific fee has been sanctioned. Govt. replied in the affirmative to this reference. No. R. 1190 of 20.8.25. 10-25-4. This was Covered in as a test Case solving all possible & doubtful misinterpretation of the G.O. of 30/7/17

The rate was reduced in G.O. No. R. 64 16-75/G.P. 162-2 of 10.2.), but again modified & enhanced in G.O. No. R. 431-90/G.P. 255-26.1. of 14.7.27. The 5·/ rate has again been Continued for 3 years from 30.7.29 in G.O. No. R. 88 21-630 (G.P. 150-28-1 of 21.5.29

Now the whole question simplifies to this wg. Whether the deposits taken under Para 3 (1) of G.O. No. R. 473-503/G.P. 15-09-2 of 15.7.09 do Constitute a Class per se for which rate of interest have been

Note—Contn. Sheet

WD 01684—GPB—30,000—20-1-29

General and Revenue Secretariat | File No. 19 of 1929

Serial No.

sanctioned for specific periods. If the answer is in the affirmative, then it will mean that a distinction as among the deposits is being made such a position besides militating against uniformity of treatment, is not altogether borne out clearly by the G.O.S issued from time to time. Also the solution from in a case in G.R. 10-25-4 Clashes with the view

1 In view of the confusion which seems to have enveloped this question, occasion may perhaps be now taken to place the position on a uniform basis. It is therefore respectfully suggested that the Comptl be consulted in the first instance as to the number of Endowments which are not allowed the rate of 5 p.c. at present, with reasons, and requested to offer his remarks with a view to ensure, if possible, uniformity of procedure, without avoidable loss to Govt.

2 If on the other hand a general order is not deemed necessary orders are solicited if the 2 Cases of deposits may be allowed 5 p.c. interest as recommended by the Collector.

Subd for orders 13

The course suggested above would obviate the occasion for piecemeal consideration and may be adopted.

H Secy) 29.7.29

14 Forwarded to the Comptroller with Compliments for favour of his remarks

h/ 5/8/29

1225 30/7

16/8/29 SC.

CONTROLLER'S OFFICE 15. 2 AUG. 1930 h.o. 41/1930 BANGALORE.

Note—Contn. Sheet

WD 01684—GPB—30,000—20-4-29

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes.]

The Extra Expenditure per annum, if the 13 cases of Encroachments in the Statement accompanying are allowed interest at the rate of 5·/o p.a instead of 4·/o as at present, may be calculated as Rs. 1377. The intended early sanctioning of the 5·/o is allowed from 1.9.29 & if allowed, even the date of approval (& Sanction may even not exist 5·/o) may be shown separately.

To Dy Asst Comptr Chap of Stat Rules & Section with Compliments

No 29. Dy 22/8 Dy

Dy 27/8

27/8

The annual extra cost at 1% (difference between 5% and 4%) if paid from 1-9-29, would be about Rs. 1377. If 5% had been allowed from 30-7-17 and onwards upto 30-6-29, the extra cost would have been 16,510.

D. V. Narasimha Reddy
Assistant Comptroller

To Under Secretary
The ~~Assistant Director~~ Secretary
with Compliments

Dy 24/8

I do not understand this

N. B.—Should routine notes be written on small slips of paper, the notes must be pasted on this form.

G. R. S. III—3]

ROUTINE NOTES.

[To be used only for notes, requisitions, etc., not intended for permanent record.]

N. B.—Should routine notes be written on small slips the notes must be copied, or slips pasted on this form

Name of the donor.	G.O. No. & date.
1. Messrs. Rajah Subbiah Setty of Tyamagondlu.	1658-60/Muz.F.181-08-2 dated 20-4-1909.
2. Kanale Devappa of Sagar.	1820-23/Muz.97-07 dated 7-5-1909.
3. Thangali Sesha Iyengar, Kadur Taluk.	2430-2/Muz. F.576-08-2 dated 29-6-909.
4. Narasimha Setty of Arsikere.	1254-6/Muz.F.397-08-3 dated 5-3-09.
5. Mr. Narayana Rao, Bangalore.	1534-7/M.F.743-08-2 dated 18-12-09.
6. Polepally Narasimha Setty of Bangalore.	1822-4/Muz.F.740-08-2 dated 26-1-10.
7. Lakshmana Rao, Mysore.	803-5/Muz.673-09-5 dated 26-9-1910.
8. Jagadesi Narasimhachar.	2128-30/Muz.355-10-7 dated 8-3-12.
9. Lakkasety gowda of Kottana Ghatta.	1477-80/Muz.517-08-8 dated 10-4-13.
10. Siddalingappa of Kabbahally.	6790-2/Edn.147-13-4 dated 9-1-14.
11. D. Appu Rao, Bangalore.	554-7/Muz.686-15-2 dated 22-8-16.
12. H. Rangaswamy Iyengar.	3833-6/Edn.254-15-15 dated 28-11-16.
13. Subba Rao alias Appu Rao of Seringapatam.	388-40/Muz.674-16-2 dated 3-8-17.

4% interest only.

S.S.

Serial No.

G.O. No. 329/SC
9/7/8-4

Returned with compliments
The Accts. Comr's letter
Explains clearly why the Audit
office has held that further orders
of Government are necessary
if the Enhanced rate of 5% is
to apply to Endowments deceased
prior to 1917 for a period subsequent
to 1922. I however find that
though this objection was raised in
the particular case referred to — as
~~he had all~~ the parties had all along
claimed & drawn interest at 4% and now
wanted the difference to be paid —
in many of the cases of Endowments
prior to 1917, this office has
been paying 5% all along
subsequent to 1922 also
obtn.

In these circumstances,
~~if not cancelled~~ it seems to be
necessary to authorise payment
at the Enhanced rate — as is
probably the intention of Government
also — in these cases also. Which
are about 13 in number as per statement
put up. In even in these cases,
the Extra rate of interest was not
claimed by the parties — probably due
to ignorance — and so was not
paid and the chances are that if
they had claimed the same at
the proper time, this office might have
have paid at the time, without demur as in other cases
subsequently.

2170/17/8

Note—Contn. Sheet

WD 01681—GP[illegible]—30,000—20-4-29

General and Revenue Secretariat

Grls, File No. 19 of 192 7

Serial No.

1 K/S Sir will please calculate the extra expenditure p.a. if the Comptr's recommendation is accepted

17 8 28

Please refer to the Comptr's Office Stt. If the enhanced rate of 5% should be conceded with retrospective effect from 30.7.17 to 30.6.29 the total extra cost is stated to amount to Rs 16510. And from 30.6.29 the recurring annual extra cost will be Rs 1377

Stt.

This is not correct? The question is about payment, 5% from 1922. K

Order already given in letter.

It is seen from the information before Govt that the 13 cases in the Stt were not given the rate of 5% even for the period 30.7.17 to 30.7.1922. There was express sanction of Govt in G.O. 3810 20 to allow 5% interest on all the deposits accepted under the G.O. of 1909 for a period of 5 years up to 30.7.1922. The cases in the Stt represent those accepted under the G.O. of 1909. Because the persons concerned did not claim the 5% rate, it was not given.

Stt

Then they are not entitled to the 5% recommended

B

K

20 Now, the question presents some real difficulties. If all the cases should be given 5% with retrospective effect as recommended by the Comptr, there results an extra Cost of 16½ Provisional rupees. From the date

Note—Contn Sheet

WD 01684—GPB—30,000—20-4-29

General and Revenue Secretariat

File No. 5,2,2/7L19 of 1927

App. F. III—2]

Serial No.

Now as I have two cases have been commended by the Finance Minister. Where by virtue of the rules given among Zamindaries, the persons concerned are not estopped from claiming the higher rate

instance & time is a point worth considering should there we cases be shown the Concessions the Min II Lines too have to be cancelled. But the endowments are ask for charitable purposes. Having regard to this fact and to the one trial there was sanctioned a rate of 5 p.c. per km this years from 1917 to 22, it appears the practical solution appears to lie in giving to all these 13 Cases 5 p.c. from 1917 to 1922 only and again the same rate from 1.7.27. From 1929 all Cases will then be brought under one Class enjoying 5 p.c. till the expiry of the present sanction. The extra Cost (lump) will be about Rs 70000 for the 5 Class ending 1922 & a recurring annual Cost of Rs 1377 from 1.7.27.

1377 5 / 6885

4. This seems to be a happy compromise and the about Rs 60000 will be saved, the ends of fairness also being at the same time met.

Submitted for orders

SK 24/8

The course suggested at A is feasible & appears also may be equitable in the circumstances. H Secy

28/8/29

13 Vide marginal remarks above. C/W bring up by 29-8-27

SECRETARIAT
28 AUG. 1929
2621

Note—Contn. Sheet

WD 01684—GPB—30,000—20-4-29

General and Revenue Secretariat

File No.

Serial No.

The operation of the order of 1920 is now in question. The Govt. recommend that the concession sanctioned in that order may be extended to cases covered by ~~the~~ it, so long as Govt. choose to pay the higher type rate to Chairs. This proposal seems reasonable and may be sanctioned.

The 2 cases under correspondence may be dealt with on this principle.

1st Member 31/8/23

26 There is one point to be noticed. The principle usually followed is I think this. Wherever a fixed rate in perpetuity has been sanctioned there can be no question of varying or reducing it. Where however only a temporary rate was allowed the benefit of the 5% rate may be given. Please let me know if all the cases now under consideration are of the latter kind

Mr. C. 31/8/23

Subd.

27 All the Charitable endowments may be taken, for practical purposes, in groups themselves under the two instructive headings viz 1) Where

General and Revenue Secretariat | Mysore File No. 19 of 192 9

Serial No.

accepted prior to 1917 & (2) those accepted subsequent to 1917. In respect of the latter class, there is no clause attaching the rate of interest as the existing ones cover all the cases. In regard to the former, there is another class branching therefrom where a rate of interest has been allowed in perpetuity on the basis of a contractual understanding. These cases will not be affected by any change in the rate of interest that may be introduced from time to time.

The information called for in the Secretariat Memo above is whether the 13 Cases referred to in the Comptroller's Office Statement are subject to the changing rates ordered from time to time or whether they should enjoy a perpetual rate under the terms of the original Contract. Since they are all cases accepted prior to 1917 & covered by the Govt Order 1920 they have perhaps to be taken as cases ~~only~~ allowed a temporary rate. The case may be referred to the Comptroller for favour of opinion if the view above is correct before submitting to the Member in charge of Finance.

To Comptroller with compliments

COMPTROLLER'S OFFICE 21 SEP. 1929 No. 0175 BANGALORE.
No. 49 9/23/29 SL

Note—Contn. Sheet

General and Revenue Secretariat | File No. | of 192

Serial No.

W.D.No.566/S. Noted: September 192

28 Returned with enclosures.

In reply to the Secretariat's letter dated the 15th instant on the above subject, I am directed to state that the Government of India have decided that the rate of interest to be charged in future on Takkavi loans granted under the Land Improvement Loans Act and the Agriculturists' Loans Act should be reduced from 6½ per cent. to 6 per cent. in all cases and allowed to interest which may fall due after 31st March 1929 except where, in the case of perpetual loans, it is open to the discretion of Government to change this rate or reduce it.

S.S. G V Sharadjana Reddy
for Chief Officer.

29 All the cases under consideration are those in respect of which rate of 6¼% has been sd. in perpetuity. Under the order of 1920, these have been allowed the higher rate for 5 years & Suits once the perpetuity rate has been departed from, the higher rate is sought to be continued now.

FL Secy 27.9.29

30 Re the point raised in the preceding minute, kind reference is invited to paras 8 & 9 of Revenue Administration note of 11th Nov 1919. Fly X.

1st Member 26/9/29

31 The position is still not clear to me. I will discuss this with FL Secy. What I want to know is what is the authority for giving a higher rate in cases in which a fixed rate in perpetuity has been guaranteed? 27.9.29

WD 01684—GPB—30,000—20-4-29

General and Revenue Secretariat.

File No. 11 of 1929.

Serial No.

32 Discussed with H Secy. I agree with him in the View expressed in his Note ✓ 31.8.29. The enhanced rate of interest recommended may be allowed in the Two Cases in which no rate in perpetuity has been Sanctioned. The other cases require examinatn before ~~them~~ for deciding Whether they can have the benefit of the fluctuating better rates.

(D.D.2)

33

34

35

Issue 14/10.

No 2E 2534-5 of

General and Revenue Secretariat. File No. of 192 9

Serial No. 2

Ld

Hon'ble Chancellor

Lr No 2534-5 D/16 10-09.

Desires that the enhanced rate of interest sanctioned under the provisions of para 4 of his letter dated 2nd instant on the two cases mentioned for which a rate per instalment has been fixed

B
11/11

NOTE—Contn. sheet.

No. 872 Rev 2 files
27-8

FROM

F. C. D'Souza, Esq., B.A., B.L.,
The Muzrai Commissioner in Mysore

1934
Jany 19-29

To

R. Srinivasa Iyengar, Esq., B.A., B.L.,
Secretary to the Government of His
Highness the Maharaja of Mysore,
Miscellaneous Department.

SIR,

I have the honor to submit herewith [illegible] return correspondence [illegible] November 1928 from the Comptroller to Government [illegible] payment of enhanced rate of interest [illegible] Setty Bros of Kothanghatta and Mr. M.S. Narayana [illegible] the authority of G.O.No.1477-80/Mur.513-Cus-8 dated 18th April 1918 and 1554-7/Mur.713-Cus-3 dated 18th March 1919, [illegible] to state as follows:-

2. The Comptroller to Government was [illegible] the admissibility of enhanced interest [illegible] prior to G.O.No.F1.470-80/C.F.31-17-1 dated 30th July 1917 [illegible] accepted under the order of 18th July 1908, is of opinion that the orders sanctioning the enhanced rate of interest apply only to cases coming under the Government Order of 30-7-1917 and that the concession shown under para 2 of the Government Order of 30th July 1917 to cases accepted under the Government Order of 18th July 1908, expired by the end of 29th July 1923 and fresh sanction of Government is necessary to continue it.

3. In para 2 of Government Order No.F1.4002-51/C.F. [illegible] dated 8th June 1920, it is laid down that the [illegible] interest at 5% is extended to all cases not covered by the Government [illegible]

No.Fl.[illegible]-[illegible]-[illegible] dated 15th July 1909 but this concession is limited in the same Government Order to 6 years commencing from 30th July 1917 to 29th July 1923.

3(a) In Government [illegible] No.Fl.3.1-04 dated Camp Mysore 25th September 1923, however, extending the concession of allowing interest at 5% on charitable endowments to three more years, only the Government Order of July 1917 is quoted. This has led to the interpretation put by the Comptroller that the concession of allowing 5% interest to all endowments accepted under the Government Order of July 1909 lapsed with 29th July 1923. I presume that it could not have been the intention of Government by this order to withdraw the concession granted in the Government Order of January 1920 as the wording is of a general nature. The subsequent Government orders of 1925 and 1927 have quoted the Government orders of 1923 and 1925, respectively, so that unless the terms of the second para of the Government Order of January 1920 are reiterated and the concession extended to them from 30-7-1923 by a fresh Government order, the Comptroller will not be in a position to pay the claim for enhanced interest to 5% on such endowments.

4. I therefore request that the sanction of Government may be obtained for paying enhanced interest at 5% on all endowments contemplated in para 2 of Government Order No.Fl.4002-51/G.F. 30-13-14 dated 30th January 1920 from 30th July 1923 up to the date to which it is sanctioned in Government Order No.Fl.3871-830 G.F.150-28 dated 31st May 1929. The favour of early orders is solicited.

I have the honor to be,

Sir,

Your most obedient servant,

Muzrai Commissioner.

846

1019

ACCOUNTANT GENERAL'S OFFICE
26 AUG 1929

GENL. & REV. SECTT.
29 AUG. 1929
FINANCIAL BRANCH.

SECRETARIAT
3 AUG. 1929

G.R.S. App. F VI G-2]

SUBJECT..... .....

.....

... .

Diary No. of letter replied to.....

General and revenue Secretariat

( )

the *192* .

Date of issue.....16.10.29.....

Signed by..Sm. A.N. Rajavarka.....

May this be

i Printed ?

ii treated as a standing order ?

iii published in the Gazette, English Part ?

iv translated ?

v placed at the disposal of the press ?

vi published in the Gazette, Kannada Part ?

Section

File No.

Serial No.

Proceedings of the Government of His Highness the Maharaja of Mysore.

Read— Letter No.872/27-8 dated 8-7-29 from the Muzrai Commissioner recommending for reasons explained therein sanction for payment of enhanced rate of interest of 5% on all endowments contemplated in para 2 of G.O.No.Fl.4002-51/G.F.36-18-4 dated 2-1-20 from 30th July 1922 up to the date of to which it is sanctioned in G.O.No.Fl.8591-630/G.F. 150-26-1 dated 21-5-1929 and forwarding correspondence with the Comptroller in the matter of payment of enhanced rate of interest on the endowments of Mr.Lakka Setty Gowda of Kothanghatta and Mr.M.S. Narayana Rao and accepted in April 1913 and December 1909 respectively.

Order Thereon xxNo.

2. Correspondence ending with the Comptroller's note No.566/S.I. dated 24-9-29 on the subject.

ORDER NO: FJ: 2534-5/Mux.19-29-2

Dated, the 16th Oct. 29.

Government are pleased to direct

that the enhanced rate of interest be allowed by the Mucs mentioned in para 4 of his letter dated above as recommended in respect of the cases

mentioned above for which no rate in perpetuity

has been sanctioned.

~~No Secretariat order can be passed~~

~~or is required in the matter.~~

14/10/29

Finl. Secy. to Govt.

The Mussal Commissioner

" Comptroller to Govt.

Copy to Mussal Branch with their files.

Enclosures sent on 13/11/29. vide Dno 790

List of enclosure.

Copied by

Examined by

WD 0326—GPB—12,500—26-5-27

19 pages